

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK  
 DRILL  DEEPEN  PLUG BACK

b. TYPE OF WELL  
 OIL WELL  GAS WELL  OTHER

2. NAME OF OPERATOR  
 Yates Petroleum Corporation

3. ADDRESS OF OPERATOR  
 105 South Fourth Street, Artesia, New Mexico 88210

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)  
 At surface: Unit P; 660' FSL and 330' FEL  
 At proposed prod. zone: Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
 24 miles northeast of Loving, New Mexico

15. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)  
 320

16. NO. OF ACRES IN LEASE  
 320

17. NO. OF ACRES ASSIGNED TO THIS WELL  
 40

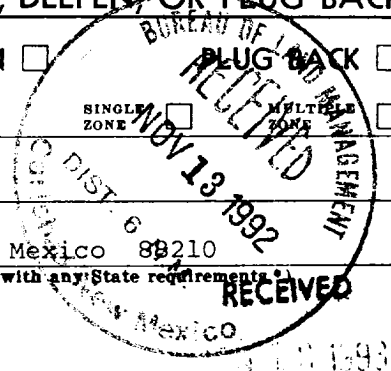
18. DISTANCE FROM PROPOSED LOCATION\* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.  
 8300'

19. PROPOSED DEPTH  
 8300'

20. ROTARY OR CABLE TOOLS  
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)  
 3480' GR

22. APPROX. DATE WORK WILL START\*  
 ASAP



5. LEASE DESIGNATION AND SERIAL NO.  
 NM-80645

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME  
 Lily "ALY" Federal

9. WELL NO.  
 8

10. FIELD AND POOL, OR WILDCAT  
 Wildcat Delaware

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA  
 Sec. 3-T24S-R31E

12. COUNTY OR PARISH  
 Eddy

13. STATE  
 NM

23. PROPOSED CASING AND CEMENTING PROGRAM **Secretary's Potash**

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	13 3/8"	54.5#	500'	Circulate - 500 sacks
11"	8 5/8"	32.0#	4200'	Circulate - 1250 sacks
7 7/8"	5 1/2"	17 & <del>20</del> 15.5 #	TD	Tie Back to 8 5/8" - 900 sacks

Yates Petroleum Corporation proposes to drill and test the Delaware and Intermediate formations. Approximately 500' of surface casing will be set and cement circulated. Approximately 4200' of intermediate casing will be set and cement circulated. If commercial, production casing will be run and cemented with adequate cover, perforated and stimulated as needed for production.

**MUD PROGRAM:** Native mud to 500'; Brine to 4200'; cut Brine to 6500'; Starch/cut Brine to TD.

**BOP PROGRAM:** BOP will be installed on the 13 3/8" casing and tested daily for operational.

NOTE: NO POTASH LEASES WITHIN A MILE RADIUS.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED Clifton R. May TITLE Permit Agent DATE 11-12-92

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE 1-5-93

CONDITIONS OF APPROVAL, IF ANY:  
 APPROVAL SUBJECT TO  
 GENERAL REQUIREMENTS AND  
 SPECIAL STIPULATIONS

\*See Instructions On Reverse Side